



February 25, 2014

Co-Chair Paul R. Doyle
Co-Chair David A. Baram
Senator Kevin D. Witkos
Representative Dan Carter

General Law Committee:

We are submitting testimony in opposition to H.B. 5259, AN ACT CONCERNING THE USE OF DEBIT CARDS FOR GASOLINE PURCHASES.

The Connecticut Energy Marketers Association (CEMA) represents 576 petroleum marketers and their associated business in Connecticut. CEMA members own operate and distribute motor fuel to more than 1,000 gasoline stations in our state.

H.B. 5259 seems to mirror existing Department of Consumer Protection (DCP) regulations that requires sellers of motor fuels who offer a cash discount when purchasing fuel, to disclose to the purchaser at the dispenser whether the cash discount applies to other forms of payment (ie. debit transactions, etc.)

CEMA believes that the existing regulation concerning the disclosure of when a cash discount applies is adequate and that H.B. 5259 is redundant and unnecessary.

If the bills intention is to require motor fuels sellers who do not offer cash discounts to disclose that debit cards are charged the credit price, the existing regulations cover that also.

Currently, the regulations require that a motor fuels seller disclose on the "pump top" sign the price of fuel. Additionally, if they offer a cash discount, the pump top sign must be split and indicate what the price of fuel is and the price of fuel when cash is used as payment.

The current regulations are clear and transparent to motorists when purchasing fuel. Pump top signs and street signs are clear and conspicuous when a motorist is approaching a gas station and even more so at the pump. No other seller of any product or service does more to inform the potential customer of the cost of a product than the motor fuel industry and further regulation is unwarranted.

Motorist can purchase motor fuels with cash, credit cards, gift cards, check, and debit cards. The way our regulation work today – however you choose to purchase fuel you pay the posted price regardless of the financial instrument your use and when a cash discount is offered you pay the discounted price. If debit cards do not receive a cash discount you must disclose that prior to the sale.

You do not need additional regulation on every possible way that a motorist might pay for fuel. Requiring additional unnecessary disclosure is cumbersome, costly and potentially confusing to consumers.

We ask that the General Law Committee oppose H.B. 5259, AN ACT
CONCERNING THE USE OF DEBIT CARDS FOR GASOLINE PURCHASES.

Respectfully,

A handwritten signature in black ink, appearing to read "Chris Herb", written in a cursive style.

Christian A. Herb
President

STATE OF CONNECTICUT
REGULATION

of the

DEPARTMENT OF CONSUMER PROTECTION

(NAME OF AGENCY)

Concerning

THE POSTING OF MOTOR FUEL PRICES

(SUBJECT MATTER OF REGULATION)

SECRETARY OF THE STATE
LEGISLATION & ELECTIONS
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Section 16a-15a-2 of the Regulations of Connecticut State Agencies is amended to read as follows:

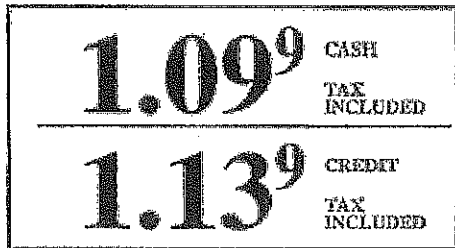
Sec. 16a-15a-2. Posting of cash payment and credit card prices

(a) At the dispensers or islands where cash discounts are offered, retail dealers shall display clear and conspicuous signs posting the price per gallon reduction for cash payment.

(1) Each sign shall be 7 1/4" high and 9 1/2" wide.

(2) Each sign shall be clearly visible to the members of the public. The letters on such sign shall be of contrasting color to the background and large enough to direct customers to the appropriate dispenser.

(b) One method by which retailers may meet the cash-credit price posting requirement set forth in subsection (a) of this section is with a split sign that is 7 1/4" high by 9 1/2" wide, showing the cash price per gallon on the top half of the sign and the credit price on the bottom half. The numerals on such sign shall be at least 2 3/4" high and 3/8" wide and shall look like the following example:



(c) If an island or dispenser is dedicated exclusively to cash sales, the price posted shall be the cash purchase price.

(d) If a non-cash form of payment, including, but not limited to, a credit card, debit card, gift card, store card, cash card or gas card is accepted as a form of payment, and a cash discount is offered for the purchase of motor fuel, disclosure by the retailer in a form acceptable to the commissioner shall be posted in a prominent manner at the point of dispensing of motor fuel. Such disclosure shall alert consumers to the form or forms of payment to which the cash discount price does not apply.

STATEMENT OF PURPOSE

The purpose of these regulations is to provide clarity to consumers in their use of debit cards to purchase motor fuel, specifically clarifying when that payment type may earn a cash discount.

The Department believes that the addition of subsection (d) will help avoid confusion among consumers in their purchasing of motor fuel. Cash discounts have proven popular. With this proposed change, the payment types that earn the cash discount will be more transparent.

The legal effect of this proposal would be to create a new regulation subsection that requires motor fuel price posting signs to include the fact that consumers will not earn a cash discount, if offered by the seller, when using a debit card for the purchase. This regulation applies only when use of a debit card will not earn the discounted cash price.

PAY LESS WITH CASH!

**Before making your purchase,
check our pump top price signs!**

DEBIT CARDS are CREDIT PRICE

Credit card companies charge us fees for their use!



A public service of www.icpa.org/consumer_motor.htm

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